ALAN G. LANCE ATTORNEY GENERAL STATE OF IDAHO

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IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

| STATE OF IDAHO, Department of Finance, |) |
|--|-------------------------------|
| or rimance, |) Civil No. CV OC 9900472D |
| Plaintiff, |) |
| |) STIPULATION FOR |
| VS. |) JUDGMENT AND |
| DEVID LOTDLO OF |) PERMANENT INJUNCTION |
| DEVIN JOHN SMITH, |) |
| an individual, |) |
| Defendant. |) |
| Defendant. |) |
| | |

COMES NOW the Plaintiff, by and through counsel, and Defendant, in order to avoid prolonged litigation, to stipulate and agree as follows:

- 1. The Complaint on file herein states a cause of action for injunctive and other relief against the Defendant.
- 2. The Defendant neither admits nor denies the violations alleged in the Complaint.

3. The Defendant agrees that the Judgment and Permanent Injunction attached hereto as "Exhibit A" may be entered against him, and he hereby consents to the entry thereof.

4. Said Judgment and Permanent Injunction shall constitute a final resolution of all issues presented in Plaintiff's Complaint as to the Defendant, and may be presented to the Court immediately or at any time convenient to the Court, without the necessity of findings of fact or conclusions of law or further pleadings or proceedings in this matter.

5. All stipulating parties shall bear their own attorney's fees and costs of litigation.

Date 6/17/99

Scott B. Muir

Deputy Attorney General

Counsel for Plaintiff

State of Idaho, Department of Finance

Date

Devin John Smith

Defendant

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IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

| STATE OF IDAHO, Department of Finance, |) |
|--|--|
| Plaintiff, |) Civil No. CV OC 9900472D |
| VS. |) JUDGMENT AND |
| DEVIN JOHN SMITH, an individual, |) PERMANENT INJUNCTION) |
| Defendant. |))) |

It appearing to the Court that the Defendant in the Stipulation for Judgment and Permanent Injunction filed with the Court, has admitted that the Complaint states a cause of action for injunctive and other relief under the Idaho Securities Act. Defendant neither admits nor denies that he violated the Idaho Securities Act as set forth in the Stipulation for Judgment and Permanent Injunction, and has agreed and consented to the entry of judgment granting a permanent injunction against him, along with other relief, and has



waived the necessity of findings of fact and conclusions of law with respect thereto, and the Court being fully advised in the premises:

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

- 1. Defendant is permanently enjoined from engaging in any acts, practices or omissions which would constitute violations of the Idaho Securities Act, and in particular, is permanently enjoined from:
- A. Selling or offering for sale nonexempt securities in any form in the State of Idaho until such time as such securities have been registered with the Idaho Department of Finance, in accordance with Title 30, Chapter 14, Idaho Code;
- B. Transacting securities business in the State of Idaho until such time as Defendant has become registered as a broker-dealer, or salesman for a broker-dealer or issuer, with the Idaho Department of Finance, in accordance with Title 30, Chapter 14, Idaho Code;
- C. While engaged in or in connection with the offer, sale, or purchase of any security:
- (1) Employing any device, scheme or artifice to defraud,
- (2) Making any untrue statement of material fact, or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, and
- (3) Engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.
- D. Aiding, abetting, counseling, inducing or causing any other person to engage in any of the types of conduct described in paragraphs A, B, and C above.

E. Defendant is prohibited from claiming the availability of, using, or offering to

sell securities under, any exemptions under the Idaho Securities Act without

receiving the prior written consent of the Director.

2. Defendant is prohibited from claiming the availability of, using, or offering to

sell securities under, any exemptions under the Idaho Securities Act without

receiving the prior written consent of the Director.

3. Defendant shall restore to each person in interest any consideration which may

have been acquired or transferred in violation of the Idaho Securities Act.

This is to include payments made payable to Margaret White and delivered to

the Idaho Department of Finance, 2nd Floor, 700 W. State Street, P.O. Box

83720, Boise, Idaho 83720-0031, as follows: \$666.66 due August 1, 1999;

\$1,166.66 due October 1, 1999; \$1,166,66 due January 1, 2000; \$1,166.66 due

April 1, 2000; \$1,166.66 due July 1, 2000; and \$1,666.70 due October 1,

2000.

4. This Judgment and Permanent Injunction shall serve as a final resolution of all

issues presented in Plaintiff's Complaint.

DATED this ____ day of June, 1999.

Honorable Kathryn A. Sticklen District Judge